

TRUST AGREEMENT, made this 24 day of March 1981 between CHEM-NUCLEAR SYSTEMS, INC. a corporation organized and existing under the laws of the State of Washington hereinafter called the "GRANTOR", and the Treasurer of the State of South Carolina, hereinafter called the "TRUSTEE", together with the Budget and Control Board for the State of South Carolina, designated herein as "BENEFICIARY"; and

WHEREAS, the "GRANTOR" operates its business of providing for the disposal of low-level radioactive waste pursuant to South Carolina Radioactive Materials License No. 097 issued by the South Carolina Department of Health and Environmental Control; and

WHEREAS, pursuant to the terms of such license, it is required that the "GRANTOR" herein establish a Site Stabilization and Closure Plan which, inter alia, includes a decommissioning plan satisfactory to the Department of Health and Environmental Control and approved by the State Budget and Control Board to provide reasonable assurances of adequate funds for use in decommissioning the licensed radioactive waste disposal site situate in Barnwell County, South Carolina, at the cessation of normal business operations or at the termination of the aforementioned license, whichever first occurs; and

WHEREAS, the "GRANTOR" in order to assure adequate funding for decommissioning, and in compliance with the terms of its license, by the creation of this Trust Agreement places certain funds in trust for that public purpose and by the execution of this Trust Agreement is bound to the terms and conditions hereof; and

WHEREAS, the "TRUSTEE", for its fee, herein agrees to serve in its capacity and be bound by the terms hereof; and

WHEREAS, the Budget and Control Board of the State of South Carolina is designated as "BENEFICIARY" hereto with respect to its duties, as provided by law.

NOW, THEREFORE, the parties hereto agree as follows:

1. "GRANTOR" hereby assigns and delivers to "TRUSTEE", in trust, one million seven hundred twenty-six thousand seven hundred dollars and thirty cents (\$1,726,700.30), receipt of which is hereby acknowledged by "TRUSTEE". Such monies, and any additional monies or other property which may subsequently be added thereto, from time to time, which additional monies or other property are determined by the South Carolina Department of Health and Environmental Control to be adequate to carry out the purposes of the Site Stabilization and Closure Plan, as amended, shall constitute the trust estate and shall be held in trust solely for the uses and purposes and upon the terms and conditions of the trust herein provided.

2. "GRANTOR" may hereafter, from time to time, pay or deliver additional sums of money or other property to "TRUSTEE" to be held, invested, and distributed by "TRUSTEE" as an addition to the trust estate, in all respects, as is herein provided.

3. The principal of this trust shall, at all times except as specifically provided herein, be maintained separately from any income derived from investing said principal and shall be accounted for separately and said principal funds shall be designated as the "Principal Account".

4. All income generated by investments of said principal shall be held in an "Income Account," separately from the established "Principal Account," except as is hereinafter provided in paragraph No. 6. The "TRUSTEE" shall provide "GRANTOR" and "BENEFICIARY" with an annual accounting of both the "Principal Account" and the "Income Account", and shall not, under any circumstances, co-mingle the Principal and income Accounts of the trust estate herein provided with any other funds under "TRUSTEE'S" control or in "TRUSTEE'S" possession.

5. The trust estate herein established, or any part thereof, shall be distributed to the "GRANTOR" or other person designated by the Budget and Control Board of the State of South Carolina for the sole purpose of site decommissioning only upon receipt by the TRUSTEE" of written authorization from an authorized representative of the State Budget and Control Board, directing such distribution to "GRANTOR" or such other person of a specified portion of the trust estate.

6. The net income from the trust estate shall be applied first to the payment of administrative expenses of the trust, including, but not limited to, taxes, special assessments, and trustee's commissions and expenses, and accumulated and reinvested as herein directed or permitted, and thereafter at a time suitable to "TRUSTEE", but not later than July 1 of each year, the remainder of the "Income Account" shall be transferred to the "Principal Account" as additional principal.

7. In the management, care and disposition of the trust assets, the "TRUSTEE" and his successors in office shall have all powers granted by the laws of the State of South Carolina, except as may be limited as herein provided, as well as the power to execute such instruments as they may deem necessary or proper, including, but not limited to, the following powers, all of which may be exercised without order of or report to any court:

(a) As to the Principal and Income Accounts, notwithstanding anything to the contrary contained herein, only the "TRUSTEE" is authorized to invest and reinvest the trust assets held in the accounts and then only in direct obligations of the United States Government, United States Government guaranteed agencies, obligations of the Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, general obligation bonds or notes of any State having a AAA credit rating as established by two nationally recognized credit rating services, or any other investments as approved both by the "GRANTOR" and the State Budget and Control Board according to an attached Schedule of Approved Securities which schedule may be amended from time to time by written agreement of "GRANTOR" and the State Budget and Control Board, and the "TRUSTEE" shall account annually to the "GRANTOR" and the State Budget and Control Board of such investments of the Principal and Income Accounts.

(b) The "TRUSTEE" shall receive as compensation for his services hereunder such amounts as shall become due from time to time in accordance with the attached Schedule "A", or such fee as is mutually agreeable with "GRANTOR" and the State Budget and Control Board. Any successor trustee shall be compensated in like manner. It is further understood and agreed that the "TRUSTEE'S" fee will be paid only from the "Income Account" and that no part of said fee shall be borne by the "Principal Account".

8. In the event of the failure of the "TRUSTEE" to perform its duties hereunder for any reason, the "GRANTOR" and the State Budget and Control Board may by mutual agreement and consent in writing appoint a successor trustee to carry out the provisions of this Agreement. In the event that "GRANTOR" and the State Budget and Control Board cannot agree as to the appointment of a successor trustee, either party may apply to

the Court of Common Pleas for Richland County for the appointment of such trustee. Such successor trustee shall be compensated in the manner set forth above in paragraph 7(b) and shall have all the powers, rights, obligations, duties, and immunities herein granted to the original trustee.

9. All the powers, rights, discretions, obligations, and immunities given to "TRUSTEE" by this agreement shall continue after termination of the trust created hereby until "TRUSTEE" shall have made actual and total distribution of all monies and other property held by him hereunder.

10. This public trust shall cease and terminate whenever the purpose thereof has been accomplished through the complete decommissioning of the site as evidenced by a written statement to that effect from the State Budget and Control Board and upon recommendation of the South Carolina Department of Health and Environmental Control, but otherwise may be terminated by the mutual consent of the "GRANTOR" and the State Budget and Control Board at any time prior thereto only upon written notice of termination from both "GRANTOR" and the State Budget and Control Board to "TRUSTEE" not less than thirty (30) days prior to such termination, and in such event the "Principal Account", "Income Account", and any undistributed income will be distributed according to the mutual agreement and direction of both the "GRANTOR" and the State Budget and Control Board.

11. It is further understood and agreed that at the termination of this trust or in the event that this trust is, by mutual agreement, terminated and decommissioning is complete, then and in such event, subject to the prior written approval of the State Budget and Control Board, all principal balances remaining in the Principal and Income Accounts shall then be paid to "GRANTOR".

12. A final accounting will be made to both "GRANTOR" and the State Budget and Control Board at the termination of this Trust Agreement or upon the termination of this Trust Agreement by mutual consent of "GRANTOR" and the State Budget and Control Board or upon the withdrawal, removal or inability to perform of any trustee herein.

13. No bond shall be required of "TRUSTEE" hereunder, or of any successor trustee, unless such bond is required by the Budget and Control Board of the State of South Carolina. If such bond be required by the State Budget and Control Board, the cost thereof to "TRUSTEE" shall be borne by the Income Account.

14. In the event that the trust estate is found by the State Department of Health and Environmental Control to be insufficient to provide adequate funds to carry out the provisions of the Site Stabilization and Closure Plan, as amended, "GRANTOR" may provide such additional funds as may be required by the Department of Health and Environmental Control by adding same to the trust estate. Such additional funds may be in the form of cash, or may consist of securities or other property as may be found to be suitable and acceptable for such purpose as determined by "BENEFICIARY". Such additional funds may be added to the trust estate by written addenda and amendments to this trust and trust agreement, but this trust agreement shall not be construed as preventing "GRANTOR" from posting a bond or other surety acceptable to the Budget and Control Board to provide such additional funds for the purpose of carrying out the Site Stabilization and Closure Plan in the event that this trust is insufficient to provide for such site stabilization closure, and decommissioning.

15. This agreement and the dispositions hereunder are made under and shall be construed and regulated, and their validity and effect shall be determined, in accordance with the laws of the State of South Carolina as such laws may from time to time exist. By executing this agreement, "GRANTOR" agrees to submit itself to the jurisdiction of the courts of the State of South Carolina for all matters arising or to arise hereunder,

including, but not limited to, performance of said agreement and the payment of all licenses and taxes of whatever kind or nature applicable thereto.

16. This trust shall be irrevocable and shall not be altered, amended, revoked, or terminated by "GRANTOR" or any other person, except as may be provided herein.

17. If any provision of this agreement shall be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, in duplicate, this 21 day of March, 1981.

## SCHEDULE OF APPROVED SECURITIES

Pursuant to the provisions of paragraph 7(a) of the attached Trust Agreement, Trustee is authorized to invest and reinvest the trust assets held by it pursuant to the Agreement only in the securities specified as follows:

1. Direct obligations of the United States Government;
  2. Direct obligations of the United States Government guaranteed agencies;
  3. Obligations of the Federal Farm Credit Bank;
  4. Obligations of the Federal Home Loan Bank;
  5. Obligations of the Federal National Mortgage Association;
  6. Repurchase agreements secured by any of the above-referenced securities;
  7. General obligation bonds or notes of any State having a AAA credit rating as established by two nationally recognized credit rating services; or
- S. Any other investments as approved both by the "Grantor" and the State Budget and Control Board.

## SCHEDULE "A"

Pursuant to the provisions of paragraph 7 (b) of the attached Trust Agreement, Trustee's compensation for the usual services rendered as trustee shall be as designated below:

3/10 of 1.% of the balance in the Principal and Income Accounts on the first anniversary of this trust and on each anniversary thereafter.